



COUNCIL MINUTES

June 26, 2008

The City Council of the City of Mesa met in a Joint Meeting with the Planning and Zoning Board in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 26, 2008 at 8:14 a.m.

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| COUNCIL PRESENT | PLANNING & ZONING (P&Z) BOARD PRESENT | OFFICERS PRESENT |
| Mayor Scott Smith Alex Finter Dina Higgins Kyle Jones Dennis Kavanaugh Dave Richins | Chairman Rich Adams Randy Carter Pat Esparza Frank Mizner P&Z BOARD ABSENT | Christopher Brady Debbie Spinner Linda Crocker NEWLY APPOINTED (7/1/08) P&Z BOARD PRESENT |
| COUNCIL ABSENT | Jared Langkilde Chell Roberts Ken Salas | Beth Coons Scott Perkinson |
| Scott Somers | | |

Mayor Smith excused Councilmember Somers from the entire meeting, and he requested that Chairman Rich Adams introduce the Planning and Zoning (P&Z) Boardmembers who were present.

Chairman Adams introduced Randy Carter, Pat Esparza and Frank Mizner. He also introduced Beth Coons and Scott Perkinson, two newly appointed P&Z Boardmembers who will begin their terms on July 1, 2008.

1. Hear a presentation, discuss and provide direction on the Mesa Gateway Strategic Development Plan.

City Manager Christopher Brady provided a brief overview of the activities that have occurred related to the study of the airport area. He advised that in the past two years, officials and staff representing communities in the Phoenix-Mesa Gateway Airport economic area held numerous meetings and discussions regarding future development options. Mr. Brady stated that the communities joined with the East Valley Partnership to request the Urban Land Institute (ULI) study, which was conducted by ten national experts, including several former airport managers. He reported that the ULI panel concluded that the Mesa Gateway area represented one of the best opportunities for development in the Western United States. Mr. Brady added that

development timeframe would be thirty to forty years, and he explained that the purpose of this joint meeting was to review the context and the overall vision for the area.

Mayor Smith emphasized that the purpose of the meeting was not to make land use decisions for specific areas, but rather to update and provide an overview for the new Councilmembers and the P&Z Board as the decision process moves forward.

Chairman Adams concurred with the comments of Mayor Smith, and he explained that the P&Z Board did not intend to diminish the quality of the efforts to date, but there was concern that some questions remained unanswered.

Development Services Director Christine Zielonka stated that the objective of this effort was to develop a vision and a framework to guide development in the southeast area for next twenty to thirty years. She noted that the process was stakeholder and community driven, with the overall goal of protecting the airport and enhancing economic development. She introduced Mark McLaren, Vice President of HDR, the consulting firm retained to prepare the Plan.

Mr. McLaren displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to highlight the components related to the development of the Plan. He advised that the key issues considered in the planning process were economic opportunities, demographics, transportation and infrastructure, land use and financing. Mr. McLaren added that the overall objective was the development a plan that would create 100,000 high quality, high wage jobs by 2030 while protecting airport operations. He noted that a fiscally sustainable plan should reflect an understanding of a jobs/housing balance, multimodal transportation and the alignment of infrastructure.

Mr. McLaren said that key advantages of the Phoenix-Mesa Gateway Airport include the availability of land and a lack of physical constraints to achieve growth. He explained that the role of an airport has evolved into becoming a major growth generator for the surrounding area, and he reported that many airports now receive a majority of their revenues from non-aeronautical sources, such as tenant leases. Mr. McLaren advised that areas around airports often form the nucleus of a city, which is referred to as the "aerotropolis concept." He noted that two airports in California, Ontario and John Wayne, were utilized for comparison purposes. Mr. McLaren stated that the growth of a region typically begins with residential development, followed by retail demand, a labor force, and a demand for employment, which in turn increases residential development. He said that a sustainable urban center, educational resources and major transportation corridors would enhance economic opportunities. Mr. McLaren emphasized that the core concept should be to attract industries and/or companies that "add value" to a product or service, which provides for higher wage jobs. He reviewed the types of industries that would be desirable for the area and outlined various site selection factors considered by firms.

Mr. McLaren reported that the metropolitan region continues to grow, and he noted that a strong labor base would be available as Chandler and Gilbert achieve residential build-out in the next ten years. He advised that a majority of prospective homebuyers are choosing high-density residential developments, and he added that many in the age 24 to 34 demographic segment consider an easy walk to stores to be an important factor in choosing housing. He stated that by 2015, the demand for higher density homes would reach a new level as Baby Boomers downsize and a large number of people seek a "live/work/play" residential experience. Mr.

McLaren said that mixed use residential reduces traffic in the region and requires fewer and more cost effective transportation infrastructure improvements.

Mr. McLaren said that the current Mesa 2025 Plan emphasizes industrial development, limits residential growth, affects the amount of retail sales tax generated and requires an intense roadway network for commercial traffic. He stated that a sustainable balance of jobs and housing would generate additional sales tax revenue for the City that could be utilized for future improvements. He advised that the vision statement developed as a part of the process is as follows:

“Mesa Gateway will be an internationally recognized destination for those looking for a sustainable place in which to live, work, learn and recreate. It will provide industries with an economically efficient business climate, and its workforce and residents with access to the global resources desired of a knowledge based economy.”

Mr. McLaren highlighted the objectives under the following topics:

Build the future on today's successes.

- Capitalize on the expansion of the PM Gateway Airport.
- Foster the continued development of local higher educational, technological and applied research institutions.
- Coordinate future land uses with planned transportation improvements.
- Explore economic benefits of transportation improvements in the area.

Plan for implementation.

- Pair infrastructure recommendations with funding strategies to ensure sufficient infrastructure during initial development.
- Continue to work with key stakeholders toward a shared vision for local economic development.
- Provide private sector incentives that promote developing land *after* plan adoption, rather than prematurely.
- Develop a multi-modal transportation system that includes transit to improve overall connectivity in the area, particularly with the PM Gateway Airport.

Develop a multi-faceted plan.

- Pursue economic development initiatives that will attract Fortune 500 companies.
- Plan for mixed-use development that includes employment, residential, hospitality, entertainment, education and recreational uses.
- Develop diverse Urban Centers and employment modes.
- Become the sustainable development capital.
- Evolve into a self-sustaining community that attracts residents and jobs with innovation and quality design.

Promote quality design:

- Promote a unique design style that fits the local context.
- Adopt design guidelines regarding streetscapes, landscaping, signage and street lighting.

- Incorporate an open space system that provides for the active uses of residents while complementing concurrent development.

Mr. McLaren concluded his presentation by outlining the following four key goals:

- Protect and promote the airport.
- Facilitate the growth of commercial passenger service with complementing cargo activities.
- Create 100,000 high wage/high value jobs.
- Achieve a financially sustainable area.

In response to a question from Mayor Smith regarding the compatibility of the Plan's vision with airport operations, Ms. Zielonka advised that protection of the airport has been the overriding consideration in the process. She noted that single-family residential development was not viable under a flight path, and she added that the challenge was to determine the appropriate mix in the overflight areas that continues to protect employment opportunities.

Mayor Smith stated the opinion that in addition to single-family residential, there were certain commercial uses that would be incompatible with the airport.

Planning Director John Wesley acknowledged that there are other uses that would be incompatible with the airport, and he noted that the areas closest to the airport are designated for industrial development. He added that development standards would include additional requirements that address noise attenuation.

Responding to a question from Councilmember Higgins, Mr. McLaren stated that although he did not have information regarding the number of dwelling units in the Ontario airport area, residential development is limited and consists primarily of high density housing. He added that most of the developments surrounding the airport are 30-foot warehouse buildings, and he explained that the Ontario airport does not provide a "live/work/play" environment. Mr. McLaren advised that the John Wayne Airport area has high-value jobs and high-density housing at the end of the runway north and northeast of the airport. He noted that a key factor in minimizing airport noise complaints is density, and he said a greater amount of activity results in noise being less obtrusive.

Mesa Gateway Economic Development Project Manager Scot Rigby responded to a question from Mayor Smith by advising that the vision is to model the best aspects of the Ontario Airport to the south and southeast of the Phoenix-Mesa Gateway Airport and the John Wayne Airport to the north and northeast.

Chairman Adams stated the opinion that major arterials and facilities such as gas stations and rental car agencies should not be located in the transitional area between the end of the runway and residential development.

Discussion ensued relative to the fact that long runways are an advantage at the Phoenix-Mesa Gateway (PMG) airport; that additional information is required regarding the reality of departing flight routes; that the opportunity exists for the PMG Airport to become the standard for other airports; that an existing airport surrounded by vacant land such as PMG has the opportunity to have the community grow around it; and that staff continues to communicate and cooperate with the Town of Queen Creek and other stakeholders.

In response to a question from Chairman Adams regarding site selection factors, Mr. Brady advised that "education" is included under the category titled "availability of skilled labor."

Mayor Smith suggested that the presence of Arizona State University Polytechnic and other educational facilities in the area could be included as an industry that provides an economic opportunity.

Mr. Brady said that the presence of educational facilities translates into other industries, such as health care or aviation.

Responding to a question from Boardmember Mizner regarding transportation infrastructure, Mr. McLaren advised that extensive transportation planning has occurred that includes a sub-area model, and he added that a number of alternatives have been evaluated for specific areas.

Further discussion ensued relative to the fact that addressing future infrastructure requirements would be very difficult under the current General Plan; that land use and density will impact the availability of funds to pay for infrastructure; that housing is the market force that drives infrastructure; and that residential development is considered to be a threat to the airport.

Mr. Brady stated that the goals of protecting the airport and creating 100,000 jobs appear to conflict with each other, and he noted that the study indicates that the creation of jobs is dependent on the availability of housing. He said that the market should be challenged to create the necessary residential development that facilitates the creation of jobs and protects the airport.

Mayor Smith suggested that developers of any facility in the area of the airport be required to demonstrate that the proposed project does not diminish or threaten airport operations.

Boardmember Mizner noted that Mr. McLaren commented that residential development and employment support each other. He said that although past decisions may have been rigid in an attempt to protect the airport, the challenge to the City is to consider the type of residential development, the timing of the development, and the sound attenuation and construction requirements. Boardmember Mizner added that residential development is being constructed in communities surrounding the airport that will provide a workforce.

Mr. Brady responded to a question from Councilmember Richins by stating that from an economic development standpoint, the current approach is that lines should not be drawn that distinguish the location of development in the area of an airport. He noted that the City is challenged by the fact that economic conditions forced the Planning Department to lay off several employees. Mr. Brady added that a possible future staffing option would be to have dedicated Planning personnel funded by a specific development.

In response to a request from Boardmember Esparza for examples of medium and high-density housing in proximity to an airport, Mr. McLaren advised that this type of residential development followed the availability of office space around the John Wayne Airport. He also cited the development around the Dallas-Fort Worth Airport as an example.

Chairman Adams stated that in the past, the power lines served as a line of demarcation for development, and he said that as more information becomes available, such as the HDR study, the City should consider different models.

Mayor Smith expressed the opinion that the decisions made five or six years ago were appropriate based on the information that was available at the time. He said that the challenge today is to determine the balance between airplanes and people, and he added there are uses that concern him beyond residential development. Mayor Smith stated that the market would determine the manner of development, and he noted the uses proposed today might not be appropriate in the future.

Boardmember Carter expressed concern that that 2025 Plan was “cast in stone” and that the paradigm has shifted. He noted that the City’s infrastructure costs would be higher for manufacturing facilities.

Mr. Brady stated that the approach would be to balance the industrial development with the higher-density urban core, and he added that the timing of the development poses a problem in achieving that balance.

Mayor Smith noted that in 2002, the vision of development of the GM Proving Grounds was an unknown factor. He noted that the development is being market driven and will evolve over time.

Responding to a question from Boardmember Carter, Mr. Wesley confirmed that the Zoning Code update has considered this area and new implementation tools have been proposed to address different land uses.

Additional discussion ensued relative to the fact that a special taxing district could be considered to pay for the infrastructure; and that staff has considered the use of a special taxing district as a tool.

Vice Mayor Jones said that the 2025 General Plan was not “set in stone” and that processes are in place to make changes to the Plan. He noted that as opportunities change, efforts are made to accommodate adjustments to the market.

Mr. Brady proposed that the next step could be the establishment of guiding principles regarding land use in the future. He said within the overall goals, P&Z and the Council could address the types of jobs and the opportunities within the framework map (see Attachment 1) that identifies unique areas.

Mr. Wesley stated that as staff works with property owners in the future, the framework approach could address key development concepts that are best for a specific area without being too detailed regarding land use. He said this approach would provide more flexibility in the future.

Mr. Brady said that infrastructure already in place or planned begins to dictate certain types of development. He said that property owners and developers would be challenged to present proposals that supported the overall goals.

Mr. Wesley advised that additional detail would be provided for the framework map.

Mayor Smith requested that information be included regarding values and standards. He noted that everyone wants to protect the airport, and he suggested that the manner in which the airport is to be protected should be more specific.

Boardmember Mizner said that the Strategic Development Plan offers an interesting concept in that it has the potential to provide a philosophical framework for evaluating land uses in conjunction with the Mesa 2025 General Plan. He noted that the Mesa 2025 Plan is a statutory document that can be amended.

Councilmember Richins stated that many communities throughout the country are utilizing this concept.

Chairman Adams thanked the Mayor and Council for holding this meeting. He noted that input from the Economic Development Office to the P&Z Board in the past several months has been very valuable, and he expressed the hope that this type of input will continue in the future.

Mayor Smith said that it was the consensus of the Council that staff move forward, and he noted that his personal goal is to "get it right." He added that in fairness to the landowners, users and the community, a framework should be developed that balances property rights with community assets.

2. Items from citizens present.

There were no items from citizens present.

3. Adjournment.

Without objection, the Joint Meeting of the Mesa City Council and the Planning and Zoning Board adjourned at 10:00 a.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

Joint Meeting of the Mesa City Council
& Planning and Zoning Board
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I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Meeting between the Mesa City Council and the Planning and Zoning Board held on the 26th day of June 2008. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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Attachment (1)